

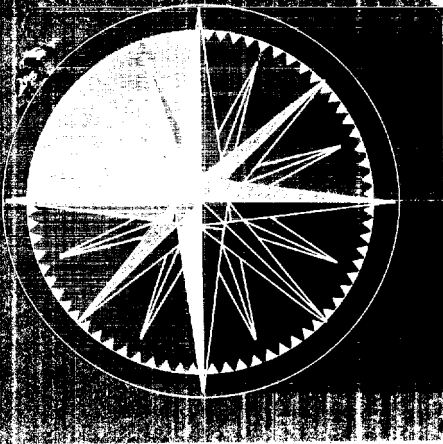
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# SPECIAL REPORT

THE ITALIAN SOCIALIST PARTY AND THE CENTER-LEFT GOVERNMENT

CENTRAL INTELLIGENCE AGENCY  
OFFICE OF CURRENT INTELLIGENCE



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GROUP 1 Excluded from automatic  
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2. United States has a long and honorable  
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4. the world who are struggling for  
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**THE ITALIAN SOCIALIST PARTY AND THE CENTER-LEFT GOVERNMENT**

The future of parliamentary government in Italy may depend on the ability of the Italian Socialists and the Christian Democrats to resolve the differences between them which have been intensified as a result of the former's participation in the government. If Catholic-Socialist cooperation should fail, the ensuing political instability would probably evoke extremist attempts to form an authoritarian regime. From the point of view of the Socialist Party (PSI), the main risk in close association with the Christian Democrats stems from the possibility that the government may prove unable to produce any of the reform measures to correct deep-seated social and economic inequities which were outlined in the four-party accord on which it is based. In such an event, the Socialists would probably feel impelled to pull out in order to prevent large-scale defections from their following to the Communists.

**Current Problems**

Political strains were to be expected from Socialist participation in a Catholic dominated coalition, particularly since important elements in both parties are either conditional in their support for such collaboration, or oppose it outright. These strains have been aggravated in the case of the Moro government by the need to impose unpopular and uncomfortable measures on the economy. The government's position that stabilization measures must be given priority over basic economic and social reforms called for in the agreement between the four coalition parties has been a source of concern to the PSI because of its special need to demonstrate to its followers the benefits of participation in the government. This is even more urgent now in view of this

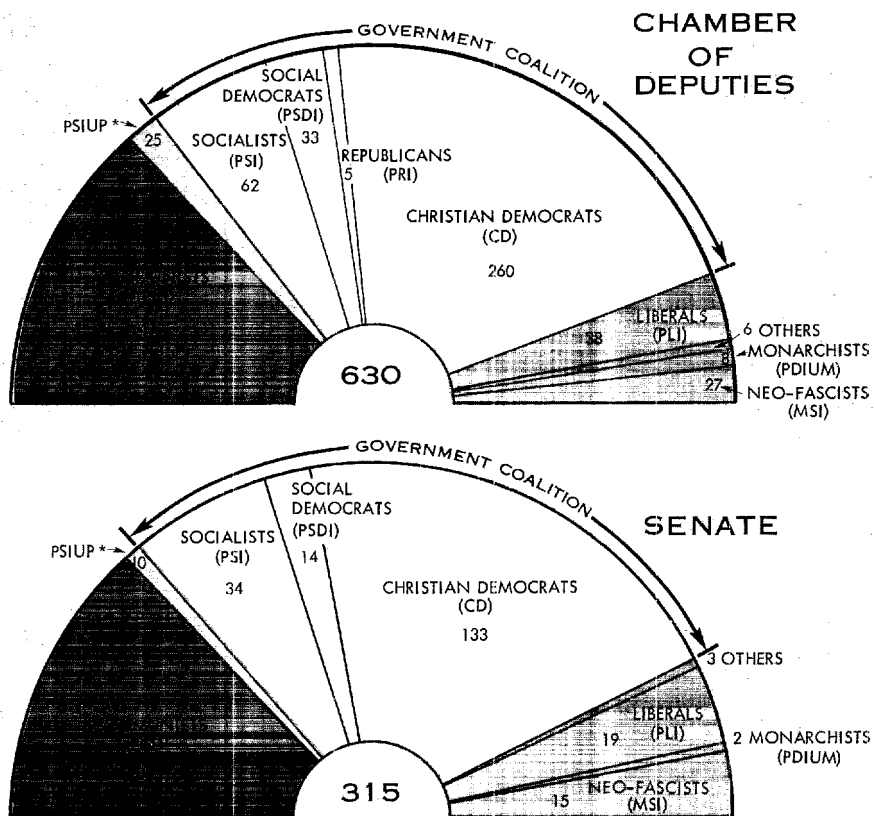
fall's nationwide local elections. Many Socialists believe that the Christian Democrats will use the economic stabilization argument as an excuse for watering down or indefinitely deferring reforms. Should this happen, the PSI as a party will have to decide how long it can remain in the government without risking a serious loss of support among the electorate.

**Conflict of Personalities**

The Socialists' ability to respond to such challenges is qualified by several internal problems. Although they are in general agreement on the urgency of structural reforms, such as coordinated economic planning, urban development, and the establishment of regional administrations, their leaders--particularly Pietro Nenni and Riccardo Lombardi--continue to differ over the timing

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# PARTY COMPOSITION OF THE ITALIAN PARLIAMENT



\*The Italian Socialist Party of Proletarian Unity (PSIUP) was created on 12 January 1964 as a result of a split in the PSI. PSIUP parliamentarians, before the split, represented much of the pro-Communist left wing of the PSI. In some respects, PSIUP's positions on political issues would place it to the left of the PCI.

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of reforms. Lombardi, a maverick, has frequently criticized the government's performance, mainly from a conviction that the Christian Democrats cannot be trusted to carry out a reform program. Although he favors the center-left formula, he feels strongly that his party should not have participated on the terms accepted by Nenni because under these it runs the risk of losing its identity and becoming merely another Social Democratic party, thus losing votes among the workers. Since the party is in the government, he believes the PSI must maintain a distinction between itself as a party and its representatives in the government, so that if the center-left fails, the party might be able to return to the opposition with lessened damage to its image.

Nenni accepts the position of Lombardi, of whom he says, "the trouble is not with what he says but the way he says it." Nenni maintains, however, that the party must make every effort to ensure the success of the center-left through cooperative participation in it, even if this involves major concessions to the Christian Democrats. He believes that withdrawal from the government, except under conditions in which the Christian Democrats were clearly guilty of bad faith, would cause his party a serious loss of face among its supporters and leave it no alternative but to join eventually a popular front with the Communists.

Lombardi's increasing outspokenness as editor in chief

**BACKGROUND**

- 1892 - formation of Italian Workers Party which became Italian Socialist Party in 1895
- 1921 - splinter group from PSI forms PCI
- 1934 - unity of action pact between PSI and PCI, lasting until 1956
- 1947 - in January splinter group from PSI forms future Social Democratic Party
  - in May PSI ejected from government
- 1955 - genesis of Socialists' concept of opening to the Left
- 1962 - PSI pledges parliamentary support of Fanfani's coalition government of Christian Democrats, Social Democrats and Republicans formed in February
- 1963 - in June PSI dissidents thwart Nenni's move to commit his party to support Moro's efforts to form a government
  - in December PSI enters Moro's center-left government
- 1964 - in January defectors from PSI form PSIUP

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of the party paper Avanti! from February to July of this year caused difficulties in the Socialists' relations with the Christian Democrats. A notable example was his exploitation of the contents of a letter from Treasury Minister Colombo to Moro in May which Colombo leaked to the press. The letter expressed doubts on the wisdom of implementing the structural reforms portion of the four-party agreement at a time when the government should devote its energies to coping with the economic difficulties. Lombardi raised the question of the government's good faith and stated that the Socialists would have no alternative but to pull out if the reform program were publicly rejected.

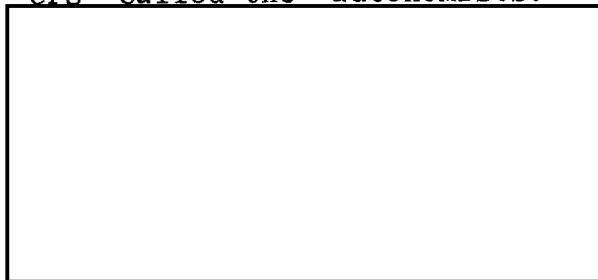
While some Socialists have privately professed embarrassment and even irritation over Lombardi's journalistic sallies,

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one of his objectives is to shore up his party's left wing by retaining the support of those in the electorate who are to the left of Nenni's supporters--called the "autonomists."

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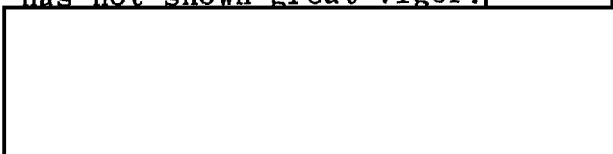
#### Succession to Nenni

Another problem which could at any time rise to haunt the PSI is that of the succession to the party chieftainship in the event Nenni has to step down. Nenni is 73, and is increasingly susceptible to periods of illness or exhaustion. His loss would be a serious blow, since there is no one in sight possessing his capacity for flexible leadership and his command of the workers' loyalty.

Lombardi, who is ten years younger than Nenni, has long considered himself the logical successor. Despite his organizational ability, intellectual capacity, and grasp of economic matters and international affairs, the fact that he is a comparative latecomer to the party militates against him. Party secretary Francesco de Martino is adept at mediating between the party factions but has not shown great vigor.

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Should Nenni be suddenly incapacitated, the jockeying among leading candidates to succeed him, who also include Budget Minister Giovanni Pieraccini and Senator Paolo Vittorelli, would cause much intraparty friction.

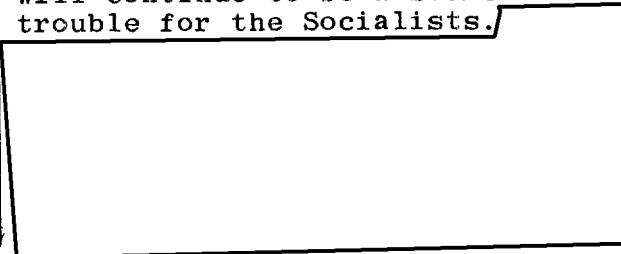
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#### Defections

The defection of most of the PSI's pro-Communist wing, the "carristi," in December to form the Socialist Party of Proletarian Unity (PSIUP) underlines the dangers that the party would face if it supported government policy decisions adversely affecting labor's status to a point where it risked a serious loss of popular following. On one hand, the loss of this wing made the PSI more homogeneous and reduced internal opposition to Nenni's policies. It further strengthened the autonomists' position in the central committee and directorate. It cost the party somewhat less than a third of its representation in the chamber and almost a fourth of its senators. The percentage of those who seceded at the grass-roots level, however, is estimated to be much lower, perhaps 50,000 out of a total membership of some 500,000.

On the other hand, the PSIUP will continue to be a source of trouble for the Socialists.

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[REDACTED] The PSIUP apparently inherited some excellent cadres and a number of trained organizers. It has reduced the Socialists' already waning ability to influence policy in the Communist-dominated General Labor Confederation (CGIL). This is because the great majority of the Socialist labor leaders, national and local, in the CGIL defected to the PSIUP. Among the CGIL rank and file, however, the new party has so far apparently been unable to pose much of a challenge to the PSI position.

The PSIUP could become an even greater threat to Nenni's party in the event that the government suffers prolonged difficulty in getting its reform program off the ground. The longer the delay the greater the appeal of the PSIUP will become to Socialists who feel that the PSI has no real ability to influence government policy. Last January the leaders of the PSIUP publicly explained their decision to pull out of the PSI on the grounds that Nenni had sold out to the Christian Democrats and "social-democratized" his party by bringing it into the government. This taunt, which is an allusion to the failure of Saragat's party to command any significant labor following, is certainly unfair to the PSI. Its sting lies in the fact that Lombardi and his followers, as well as the remnants of the Socialist left wing, fear that to continue in

the government under the present agreement will result in a serious loss of worker support.

#### Socialist Reunification

The emergence of the PSIUP is only the most recent manifestation of an old and controversial problem, that of how and to what extent the separate Socialist forces should be reunited. For a number of years the Social Democrats have been urging the Socialists to unite with them, but always with the precondition that the latter pull their membership out of the Communist-dominated CGIL. All factions in the PSI have consistently taken the position that for the foreseeable future these ties with the CGIL must be maintained in order to preserve working class unity.

The great majority of PSI leaders regard reunification not as "Saragatization" but as a bringing together of all working class elements if and when the PCI shows itself to be truly democratic. Lombardi, in particular, has been an exponent of this objective. He feels that only by working to assist an evolution in the PCI similar to that which occurred in his party can the "Communist problem" be resolved. At his party's 1963 congress he expressed the conviction that elements in the Communist Party are gradually assuming a "revisionist" position akin to that of the Socialist autonomists. His view has gained some support, but the chances that the Communists will undergo "conversion" seem very dim indeed.

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Although foreign policy issues have so far presented no serious difficulties for the center-left government, the MLF question may do so. Nenni, in particular, will be hard put to find justification for supporting it when the government can no longer put off taking a public stand if the Socialists suffer substantial losses in the November local elections. Unless he is able to show meaningful concessions by the Christian Democrats, Nenni may find that he cannot commit the party to support the MLF without the threat of further defections.

Outlook

The future of the Socialist Party is thus closely involved with that of the present government, whose prospects for survival are very uncertain. The government's failure to take aggressive action has cost it public confidence. Serious difficulties still confront the economy. Differences within the Socialists and Christian Democrats on the direction government policy should take will continue to hamper unity in the coalition and create friction between its two major components. These irritants could reach such proportions as to jeopardize the alliance which the leadership of both parties accepts as the only practical relationship between them at the present time.

Moreover, the Christian Democrats continue to seem unwilling to allow progress on at

least some of the reforms to which they are committed--such as establishing regional administrations and upping the sharecroppers' share of production from 53 to 58 percent, neither of which would involve a drain on the government's financial resources. The Socialists are thus likely to remain vulnerable to charges from within as well as from the PSIUP and the Communists that they are well on the way toward becoming another Social Democratic party. Once the party's popular following, which is largely among the working class, concludes that this is indeed the case, much of it is likely to shift its support leftward. A good part of this might initially go to the PSIUP on the grounds that it still represents true Socialist ideology. A substantial amount might eventually be transferred to the Communists, either as a form of protest or out of conviction that the PCI alone has the capability to achieve the demands of the workers.

The Socialists would probably pull out of the government if they felt they were on the point of losing a large part of their following. The local elections this fall will give party leaders some indication of how this following rates their performance. Some slight over-all losses, at least, seem inevitable. Substantial ones would certainly increase restiveness among those party members already unhappy over concessions to the Christian Democrats and could well spark attacks on Nenni's leadership.

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